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CONSULTANT'S REPORT

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CONSULTANT'S REPORT

on

CONTRACT NO. 82-29-52

The United States Department of Labor
Office of Manpower, Automation and Training

contract between

THE SECRETARY OF LABOR

and

THE WELFARE FEDERATION OF NEWARK

(Now known as the: United Community Fund of Essex & West Hudson)

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PREFACE

This report covers eleven months of operation of Contract No. 82-29-52, dating from its inception on the 22nd day of March, 1965, through its current activity and status on the 28th day of February, 1966. A greater span of elapsed and projected time is encompassed in this report as a result of the necessity of including a review of, and references to, documents prepared for the proposal of the project as well as current materials of a projective nature.

The individual and composite findings, citations, observations, evaluations, conclusions, and recommendations are drawn from a great variety of sources. Those sources include a complete and thorough analysis of all minutes of weekly meetings of the project's staff; a similar review of all Periodic Reports (monthly) prepared by the Project Director. Relevant information was secured from reports and published studies issued by private agencies and government agencies, as well as from business and industry. Interviews, both formal and informal, were conducted with key members of the project's staff at various echelons of operations. Similar inquiries were pursued with executives of functionally related private agencies and governmental agencies. Selected, key employers -- including those participating in the project as well as those not participating -- were contacted. Contact also was made with actual as well as prospective individual participants in the project's program. (Due to the nature of the information obtained from the majority of the interviews, the anonymity of all of the interviewees is preserved in this report.)

In addition, numerous visits were made to the project's offices for the purpose of observing day-to-day operations. Similarly, selected regular meetings of the staff as well as those of the sponsoring organization (Business and Industrial Coordinating Council) were attended, studied and analyzed.

I. Background

A. Contractual Mission of the Project

All Experimental and Developmental programs under the Manpower Development and Training Act have two top priority objectives:¹

- "1. To provide services to help unemployed persons become employable.
- "2. To develop new and improved techniques, methods, services, and insights to meet the training and employment needs of the unemployed -- with special emphasis on the 'hard core'."
(emphasis added)

It may, at the outset, appear to be stating the obvious to set forth those two, primary goals. However, repeated reference to those objectives will prove to be recurrently useful to the reader as he wends his way through this report.

Contract No. 82-29-52 which established the program: Labor-Management-Manpower Training Project (hereinafter referred to as "LMMP") has, in addition to the administrative provisions, two programmatic clauses of transcendental importance. With regard to the scope of the contract, it is specified that:²

"The Contractor . . . shall . . . provide an intensive program of recruitment, selection, counseling, testing, and referral to training and placement, of a minimum of seven hundred and fifty (750) unemployed and underemployed individuals from Newark, New Jersey, with a variety of problems, which create difficulties in their abilities to profit from conventional programs.

¹Reporting Requirements for Experimental and Demonstration Manpower Program, Dept. of Labor, OMAF, Division of Special Programs.

²Article I, Contract No. 82-29-52, Dept. of Labor, OMAF, Contract between The Secretary of Labor and The Welfare Federation of Newark.

Of that number, a minimum of six hundred (600) individuals will be placed in on-the-job training situations developed and supervised by the contractor."

With respect to the larger function (on-the-job training) of the project, IMWTP agreed to fulfill the following contractual commitments:³

- "1. Inform employers of the potential of on-the-job training and the opportunities for working with the Contractor.
- "2. Contact employers to stimulate OJT subcontracting.
- "3. Negotiate for OJT subcontracts.
- "4. Design OJT training plans with the subcontractors.
- "5. Act as contracting officer to sign the OJT sub-contract.
- "6. Submit training plans and subcontracts to the local B&T representative for approval.
- "7. Reimburse employer for training costs from the OJT reimbursement fund.
- "8. Supervise the training to insure that the employer is meeting his contractual responsibilities. (emphasis added)
- "9. Retain contact with the trainee to provide counseling and other assistance required to help the trainee become employed. (emphasis added)
- "10. Provide pre-on-the-job training instruction required to place the trainee into adequate training programs." (emphasis added)

³Ibid., Article IX.

The crucial significance of the latter three requirements will be developed, analyzed, and discussed in the appropriate subject areas of this report.

The mission of the project is described elaborately and at great length in the Project Plan which is incorporated into and made a part of the contract by reference. The Project Plan is set forth in a revised Proposal submitted to the Director, OHAT, U. S. Department of Labor, by the Welfare Federation of Newark, New Jersey, on the 26th of October, 1964. The Project Plan is a detailed and comprehensive document which establishes specific procedures and sets forth certain hypotheses and presumptive facts. Among those elements are several crucial specifics. If the achievements of the project are to be analyzed and evaluated both quantitatively and qualitatively, it is useful to extract them here in order to highlight them for continuing consideration and reference. On the very first page, the first procedural step in the development of the project is described specifically:⁴

"Survey the manpower development and training needs of a selected group of local operations of national companies, covering the areas of manufacture, public service and business in the greater Newark area." (emphasis added)

That point is elaborated and reinforced in the section of the Proposal which describes the program per se:⁵

"Major efforts shall be made towards developing as many of the above training programs as possible within any one company. For that reason, the employers to be contacted shall be selected primarily from large national

⁴Abstract, Proposal Submitted to the Director, OHAT, U. S. Dept. of Labor, For the Conduct of a Demonstration Project Under the Provisions of Title II of the MDTA, PL 87-415.

⁵Ibid., Program, pp. 9-10.

business and industrial concerns which have local operations or branches in the Greater Newark area. This choice is dictated by four considerations:

(1) The large companies are more representative of the conditions previously discussed. (2) A successful program in one of their local operations would have a possible spread effect throughout its system in the country. (3) Most of them are members of the BICC and thus afford an entree to initiate further discussions. (4) Their very prominence nationally makes them more aware and responsive, than smaller organizations, to a variety of pressures to which they must make some positive response." (emphasis added)

Again with respect to the program, another significant procedure is proposed as follows:⁶

"The effective cutting-off level on aptitudes, of the tests use (sic), will receive some additional verification when some of these workers, at a future date, are re-tested and given training for up-grading. All this experiential data will be analysed, evaluated and fed back to the recruiting, screening and testing organizations, as well as to GMAT."

In closing this section which has reviewed the mission of the project, it is instructive to take note of that portion of the Proposal which purports to describe the circumstances of the population which will be helped by the INMTP. What is perhaps one of the strongest statements in the document is the following declaration (its brevity belies its enormity):⁷

"Underlying all of the above is the recognized fact of minority group discrimination in hiring and up-grading practices."

That assertion is amplified as follows, and is reinforced with the heading "Target Population":⁸

⁶Ibid., p. 10.

⁷Ibid., Characteristics and Needs of the Persons to be Served, p. 7.

⁸Ibid., Target Population, p. 8.

"Newark's population is characterized by a fastly increasing percentage of non-white rural, immigrant families of a low economic and cultural level and limited literacy and work-skills. It is estimated that the non-white population represents close to 50% of the total population and that the school population is over 70% non-white. Added to this is a very high rate of mobility, both into Newark and within it, among this group. An additional .05% (sic) of the total population is represented by Puerto Ricans, with similar characteristics. Together, they contribute to most of the unemployment problems in the area. (emphasis added)

"The U. S. Population census for 1960 showed Newark's rate of unemployment as 8.2% as against a state rate of 4.6% for New Jersey. Further, the non-white unemployment rate for Newark was 11.2%. All indicators point to much higher rates at present on all these factors." (emphasis added)

B. The Clientele Being Served

1. Who was to be served?

It is apparent, in the foregoing section, that a number of beliefs, or hypotheses, regarding the clientele to be served by the project, were highly influential in its formulation as well as in its implementation. These considerations may be summarized as follows:

- (a) Newark has an especially high rate of unemployment which can be reduced through On-The-Job-Training.
- (b) Newark has a large and growing number of unemployable people (characterized as "hard core") of whom a substantial number can be helped by O-J-T.
- (c) Employment discrimination directed against non-whites can be alleviated by providing O-J-T to the victims of race-hatred.

2. Who is to be served?

(a) The Rate of Unemployment

Unemployment, per se, describes a functional relationship between the Labor Market and the Job Market. All available statistical evidence leads inevitably to the conclusion that the rate of unemployment has changed drastically from that which was extant at the time the Project was formulated. The continued and accelerating growth of the national economy has had a dramatic and far-reaching impact upon employment. The surging effect of logistic support for our military effort in Viet Nam is immediate and may well be long-range. The growing production of supplies and equipment for our armed forces -- on a sustained basis -- "is being superimposed on an economy which had already begun to show signs of stresses and strains as it neared full productive capacity." Furthermore "the ultimate level of

military expenditures is unknown, and present estimates may prove to be too conservative, particularly when one realizes that the determination of our action is essentially responsive in nature. In short, after sixty months of almost unbroken and rather stable advance, we are threatened with inflationary pressures of considerable dimensions which cannot be ignored. The signs of the inflationary pressures are rather clearly evident. They encompass the much lower unemployment figures along with an indication that the percentage will decline to 3-1/2% by mid-year, signaling the development of a labor shortage."⁹

More particularized facts and statistics are provided in the Department of Labor report to Congress on the 8th of March 1966. For example, unemployment usually rises in the month of February; in 1966 February experienced a drop in unemployment of 132,000 to 3,158,000 persons, or 3.7% of the labor force. That is the lowest rate since November 1953, near the end of the Korean war boom when it was 3.5%. In major defense-related industries, employment expanded 10% in 1965. Larger military expenditures in 1966 will lead to further expansion in those industries. Additionally, the spreading effect of the defense build-up is increasing the demand for supplies, services, and raw materials throughout the economy. The rapidly tightening labor situation is further exacerbated by the nature of the very source of the expansion: the increasing size of the armed forces. The combined effects of Selective Service and soaring enlistment rates have strained further an increasingly tight labor market situation. The planned increase in the armed forces of 350,000 men (projected in the President's budget message) will attenuate the labor supply yet more. The greatest demand, by far, will be placed upon the available supply of men between the ages of 18 and 24 years.

⁹New & Review, Bache & Co., Inc., Research Department, March 1966.

It will cut in half the expected increase in the labor force of that age group. In 1966 little expansion can be expected in the labor force from men over 24 years of age.

(It is not beside the point to note, with respect to Negroes, that a disproportionately large number of them -- as compared to their ratio in the total population -- are serving in Viet Nam. Therefore a disproportionately large share of Negro males -- between the ages of 18 and 24 -- have been withdrawn from the private sector's labor pool.)

The principal characteristics and consequences of the national trend, in New Jersey, are as follows:¹⁰ A 15% decline occurred in the average number of jobless workers which dropped by 24,700 to 136,200 in 1965. The increase in the number of jobholders was even greater than the reduction in the number of unemployed, with job holding averaging 2,543,700 in 1965 as compared to 2,494,900 the previous year. Significantly, the unemployment rate for December was the lowest for any December in ten years of record. Strikingly, of the eight major labor areas in New Jersey, only Newark did not report an increased unemployment rate in December.

It is evident from the above that an increase in the number of jobs will reduce unemployment. There is no evidence to suggest that On-The-Job Training played a significant role in that syndrome. It may be deduced that future growth in OJT will be in response to the specific demands of industry for job skills in the shortage category. OJT is far less likely to grow in response to the special needs of the unemployed, whose job requirements may not only not mesh with those of industry but may, in fact, conflict.

¹⁰New Jersey Area Trends in Employment, Department of Labor and Industry, Statewide Summary; No. 207, January 1966.

To illustrate: there is a shortage of machinists for the metal-working industry throughout the country. That shortage is magnified and intensified by the defense build-up. As a result of the exceptional conditions ~~that~~ are extant, the irrational and irrelevant barriers which have restricted the entry of Negroes into the trade are being lowered. However, when the extraordinary demands of the military establishment ultimately are reduced, layoffs will affect those first who were the last to enter the trade, i.e. Negroes. Therefore the vicissitudes of industry will fall heaviest upon those whom OJT is purported to help.

(b) "Hard Core" Unemployed and OJT

The "hard core" are unemployed due to circumstances beyond their power to influence or control. The "hard core" are unemployed because our society has yet to devise the means of substantially altering their circumstances so that they may be employed. They are more likely to be found among welfare recipients than they are to be found among the recipients of unemployment compensation because they exhausted their unemployment benefits or because they have rarely held a steady job. It is unlikely that they are to be found among active job-seekers and therefore they are seldom found on the roles of the "Skills Bank" of the Urban League. To the extent that LMTP has relied upon the Urban League and the State Employment Service as well-springs of job-seekers, to that extent has it had a necessarily limited contact with the hard core.

After almost one year of activity, LMTP has begun to set up a program specifically designed for welfare recipients. (It would be premature to pass judgement upon a course which is not yet in existence. However, it is noteworthy that it is not an OJT project.)

There are a number of tributaries which feed the mainstream of the hard core: There are those whose family circumstances apparently obviate

the possibility of holding a regular job (the widow with a large number of children). There are those who have been defeated in the job market -- for reasons beyond their control -- and have given up the struggle to get regular work. The Negro who has no more skill than the white with whom he is competing for a job and sees hired -- time after time -- is likely to resign himself to his fate and join the "hard core." And there are those with specific and special personal dislocations who lack the individual stability so indispensable for gainful employment.

Can the "hard core" be served by OJT? The hard core needs help to remove the burdens that are holding it down. It would appear that a combination of social casework and individualized vocational guidance is necessary to help the hard core become gainfully employed. It must be remembered that the job-hunting, job-securing and job-retention skills of the hard core have atrophied -- if indeed in some cases they ever existed -- and therefore they have to be reconstituted. Classes in "How to Look for a Job," "How to Apply for a Job," and "How to Hold a Job" would be appropriate. But even they must be preceded by the individualized attention that will establish the individual's preparedness to enter Pre-Job Training. Completion of such a sequence will not assure success. Even then, there must be individualized follow-through and follow-up to provide the necessary reassurance and assistance when adversity obstructs the path to success.

It is necessary to point out that hard core is not synonymous with "Negro" in general nor is it synonymous with "Southern Negro Migrant" in particular. "Hard Core" is a function of social pathology and not a derivative of race -- popular journalism notwithstanding. Such current mythology is indicative of ignorance of American history as well as sociology. The immigrant and the migrant are the ever-aspiring, upward-striving, strongly motivated members of

their groups. They most assuredly and demonstrably have not resigned themselves to their fates.

A study of applicants in the Job Skills program of the Urban League produced the following significant statistics: Nearly half of the applicants were born in the South; only one-quarter were born in Newark. "The newcomers are a more highly-skilled group than the longtime residents of Newark or the surrounding towns. This contradicts the often-held assumption that Newark and other cities are being flooded by unemployed, unskilled workers, and that migrants from the South are mainly unskilled. That myth is contradicted by the fact that the percentage of applicants in each skill level tends to be similar, no matter where they were born." Furthermore, "educational level was particularly high among newcomers to the city. 87% of them have at least a high school education, compared to 67% of the whole group. This goes along with the finding that newcomers are also a more highly-skilled group than long time residents."¹¹

The polite school of genteel racism prefers to distort the facts, as witness the article by John O'Shea in the November 1965 issue of The Atlantic:

"In the last four years (Newark's) Negro population has increased beyond all anticipation, and current working estimates . . . place the total of Negro residents at more than 202,000 and possibly as high as 205,000, or close to 55 percent. More than 90 percent of these Negro Newarkers are immigrants from the rural South. The majority are semi-literate, unskilled and lacking in the basic job training and work habits necessary to survive in the fiercely competitive industrial urban North."

(c) Employment Discrimination -- Can OJT Help?

Employment discrimination is not necessarily a self-conscious, premeditated

¹¹Job Applicants Study (The Urban League of Essex County) December 29, 1964.

act by an individual. In considering the phenomenon, with respect to Negroes in America, it is necessary to be mindful of our national heritage of 250 years of slavery followed by 100 years of "Jim Crowism" and discrimination. Rarely in the history of mankind has the institution of slavery been practiced with such destructive intent as it was in America. The destruction of slave families and the violation of slave females was a commonplace occurrence. In order to accomodate those practices -- and subsequent Jim Crowism and discrimination -- to the prevailing ethic it was necessary for society-at-large to develop a rationale that would not diminish its self-esteem. That rationale, in its more crude form, views Negroes as being subhuman; in its more polished form it entertains a stereotyped view of Negroes which attributes the place of Negroes in our society to causal factors which are peculiarly predominant in the Negro personality; in its most polished manifestation it ascribes the circumstances of modern Negro life to the present day inheritance of past brutality and bigotry.

All those views ignore -- by rationalization -- the pervasive practices and consequences of modern-day employment discrimination. The endemic nature of those rationales explain why employment discrimination is often based upon stereotyped views of Negroes' capacities and abilities rather than upon willful race-hatred.

Furthermore, with respect to employment discrimination against Negroes -- as it is practiced in New Jersey -- it is important to bear in mind that the simple question of whether or not Negroes are included in the work force of a particular establishment is not the pertinent question. Rather, the meaningful inquiry is with regard to placement, remuneration, promotion and other post-hiring factors.¹²

¹²The Negro's "Real Problem," by Ira Gissen, The Anti-Defamation League Bulletin (published by B'nai B'rith) October 1965.

It is not difficult to understand employment discrimination in terms of an individual act affecting an individual victim. However, the multitude of individual acts contribute to the making of composite patterns, the configurations of which shed light upon the effects of this malady. In order to devise appropriate remedies, it is essential to diagnose the problem.

It is statistically demonstrable, for example, that Negroes are paid less than whites when they do equivalent work. To illustrate: the average lifetime earnings of white clerical workers are \$218,000; Negroes earn \$162,000. White carpenters earn \$190,000; Negroes earn \$112,000. White laborers earn \$157,000; Negroes earn \$105,000.¹³

The differential income problem is even worse than those statistics suggest because Negroes commonly are denied opportunity to obtain jobs for which they are qualified in the better-paying industries, or by far and large are restricted to the lowest paying jobs in those industries. For example, among the thousands of employers reporting employment statistics to the President's Committee on Equal Employment Opportunity there were reported 124,000 sales occupations. Negroes held only 330 of those quarter of a million jobs. Similarly, although it might appear impressive to report that Negro white collar employment increased 17.4 percent while total white collar employment increased by only 1.9 percent, the net gain increased the Negro share of white collar employment in those companies from 12 Negroes per 1,000 white collar workers in 1962 to 13 per 1,000 in 1963.¹⁴

The dimensions and consequences of the malady of employment discrimination

¹³The New York Times, June 13, 1965.

¹⁴Report to the President, by the President's Committee on Equal Employment Opportunity, November 1963.

are no secret to minority group members who are its victims. One of the aberrant casualties resulting from the denial or restriction of equal employment opportunity is the much talked-about high school "Drop Out." Contrary to popular folklore, the drop-out is not reacting to his curriculum but to his job prospects. The experience of his group -- his family and his friends -- has not led him to believe that a high school diploma will enhance his job prospects.¹⁵

Furthermore, industrial employment practice demonstrates that the across-the-board requirement of a high school diploma is not necessarily valid. To the contrary, such a requirement often times is used -- with seeming impartiality and objectivity -- to exclude Negroes from employment. Actual employment records show that half of all male workers in the United States in 1960 were drop-outs. They comprised one-third of all male white collar workers (excluding professionals). Among manual workers, two-thirds or more were drop-outs; even among employed craftsmen, 65 percent were drop-outs.¹⁶

Among all workers, manual and white-collar, there were increases in educational attainment between 1950 and 1960. Those changes bear little if any relationship to changes in output per worker among the different industries. Most significantly, in those industries which were undergoing the most rapid technological changes (measured by changes in output per worker) half or more of the male manual workers were drop-outs. Certainly, these data do not prove that modern advancing technology necessarily requires its workers to have more formal schooling. There are, clearly, plenty of jobs in our national economy which can be performed by drop-outs at least satisfactorily enough to hold down the jobs.

¹⁵The Center for Urban Education (report of a study), as reported by Dr. Benjamin Fine, North American Newspaper Alliance, March 6, 1966.

¹⁶Educational Attainment and Modern Technology, by A. J. Jaffe and Walter Adams; The Statistical News, Official Publication of the New York Area Chapter of the American Statistical Association, Vol. 16, No. IV, December, 1964.

"Hence the higher unemployment rate among 'drop-outs' of all ages must be attributed to lack of sufficient job vacancies, to discrimination in hiring practices, or to other reasons." Furthermore, "to sell schooling because 'modern technology requires it,' especially to those persons who are uninterested or unable to continue their education (for whatever reasons), is doing education and the people a grave injustice."¹⁷

It is demonstrable that the artifices which have been erected to deny Negroes equal employment opportunity are irrelevant to the functional needs of industry, because they have begun to give way to the manpower demands of our booming economy. As a result, the patterns of Negro employment and unemployment are changing markedly. For example, by the end of 1965, unemployment among adult Negro men and women dropped to a national figure of 5.8 percent -- half as large as in 1961. The rate of growth in total jobs held by Negroes was 3.5 percent in both 1964 and 1965, half again as large an increase as the percentage gain in white employment. The number of Negroes moving out of poverty in 1964 was almost equal to the number of white families crossing the poverty line. Per capita income for Negroes in 1963 and 1964 rose faster than white income. Negroes share of total personal income in 1964 (the last year for which figures are available) was a record.¹⁸

The principal exception to the general improvement was the continued high unemployment among teenage Negroes which remained at 25 percent last year.¹⁹

¹⁷Ibid.

¹⁸Continuing Boom Benefits Negroes, by Edwin L. Dale, Jr. (based upon a report by Andrew F. Brimmer, former Assistant Secretary of Commerce for Economic Affairs), The New York Times, January 30, 1966.

¹⁹Ibid.

It is not demonstrable that OJT played a significant role in the reduction of unemployment among Negroes, nor that it had any effect upon employment discrimination.

C. The Area in Which the Project Operates

1. What are the area's boundaries?

The original proposal for the Project uses the terms "Greater Newark Area," "Metropolitan Newark Area," and "Newark" interchangeably. While "Newark" is specific enough, no such specificity is inherent in the terms "Greater" or "Metropolitan." The Contract states specifically that the Project will serve individuals from Newark, New Jersey. However, no indication is given of any direction or limitation with respect to the locale of training or OJT sites.

In practice, LMMTP has established the majority of its training situations in the City of Newark, with West Hudson County playing the second most prominent role.

There does not appear to have been any grand design or systematic plan for the development of training situations or OJT contracts with respect to geographic considerations. For example, the booming Port of Newark area -- with shipping and airport facilities -- lies within the City of Newark and is accessible via local bus, yet LMMTP has established nothing there.

There are other extremely attractive employment situations that lie beyond the city's boundaries, but within convenient commuting distance. They, too, are noticeable by their absence.

Inasmuch as no geographic limitations have been placed upon LMMTP insofar as training sites are concerned, it would seem appropriate for the Project to extend its horizons.

The need to push out beyond the confines of Newark and into directions other than those of traditional job-commuting patterns (e.g. West Hudson County) is related in a unique and intimate fashion to both the purposes and the ultimate success of the project. The need for geographic extension is based upon a

combination of factors which afflict the job-hunting capabilities of minority group members in general and Negroes in particular.

Housing discrimination in suburban areas has contributed heavily to the growth of urban Negro populations. Concomitantly the Negro job-seeker has little opportunity to move outside of urban areas in pursuit of an attractive job. The negative effect of housing discrimination upon employment opportunities is compounded yet further by another factor inherent in minority group life. Because a person is a member of a minority group, ipso facto he has less access to informal channels of communication regarding employment opportunities; that process is a normal function of the statistical laws of probability and chance. That situation is worsened by the practice of most employers which is to place heavy reliance upon the "employee-through employee" (sometimes known as "in-house referral") or word-of-mouth method of recruiting. That procedure has two negative features for minority-group job seekers: they have less access to the "job grapevine" than do the majority group workers, and they tend to learn only about those jobs in which their "brothers" are already employed; hence stereotyped placement practice -- with respect to minority group members -- tends to reinforce itself.

Research indicates that Negroes, irrespective of occupational status, have a far greater sense of uneasiness about finding a job and suitable housing in a "new" community than that of whites of like status. The reluctance of Negroes to leave relatives, friends, and familiar areas is especially pronounced among those born in the North.²⁰

The confluence of all of the above described factors tends to reduce, substantially, the competitive ability of Negroes to learn of and successfully pursue job leads outside of the familiar, well-worn traditional sources. The

²⁰Negro-White Differences in Geographic Mobility, Economic Redevelopment Research, Area Redevelopment Administration, U. S. Department of Commerce, August 1964.

policy guide-line for IMMTP to draw from those facts is: 'Greater geographic mobility on the part of the Negro population would enhance its economic welfare and would make for a more efficient utilization of the labor force generally.'²¹

Within the context of IMMTP operations, specific effort should be expended to improve and extend job-commuting patterns. This will require not only involving employers in areas such as Bergen County, but also facilitating the distribution of bus route information and directly helping in the organization of "car pools."

(It is not beside the point to note that Bergen County has more Federal Government contract business than any other county in the State. Some notion of the volume of jobs generated by that business may be gained from the fact that in 1964 -- the last year for which figures are available -- the total face value of all government contracts in New Jersey was in excess of four billion dollars.)

2. What are the area's job-training characteristics?

New Jersey ranks last of all the 50 states in the number of persons per 1,000 population enrolled in vocational education courses.²²

Public Vocational and Technical High Schools have turned away hundreds of qualified students for lack of space to accomodate them, or they have resorted to establishing artificially high admissions standards to reject those whom they would have admitted had they had room for them. It is no wonder that there have been 50,000 youngsters, aged 16 to 21, in the State who were neither in school nor working.²³

²¹Ibid.

²²Derailment of Training, by James F. Ahearn, The Record (Hackensack, N.J.), March 20, 1965

²³Ibid.

Despite the extraordinarily limited capacity of those schools, it is a matter of record that the enrollment -- outside of apprentices -- has been 30 percent non-white. On the other hand, the failure of apprenticeship programs in New Jersey to include non-whites has been scandalous. The United States Civil Rights Commission reported in 1961 that of 3,975 enrolled apprentices only 14, less than one-half of one percent, were non-white.²⁴

With respect to the exclusion of Negroes from apprenticeable trades, the construction industry has been a particular object of attention of civil rights organizations. While it is demonstrable that exclusionary practices have played a significant role in all but totally preventing the entry of Negroes into the most remunerative trades, expert opinion indicates that there is functional utility in a pre-apprenticeship program that would insure:²⁵

- (a) Motivation on the part of potential applicants
- (b) Adequate preparation to insure qualification
- (c) Remedial help where needed for the potentially qualified youth who is well motivated; and
- (d) more information stressing that areas and opportunities are now opening to all.

The implications for LMTP are self-evident. An action program is needed now to establish pre-apprenticeship courses for selected individuals.

²⁴Report of the New Jersey Advisory Committee to the United States Commission on Civil Rights, 1961.

²⁵Changing Employment Practices in the Construction Industry, Employment Series, Experience Report 102, Community Relations Service, U.S. Conference of Mayors, 1965.

II. Operational Analysis

A. Goals

The Project contracted to provide "an intensive program of recruitment, selection, counseling, testing, and referral to training and placement, of a minimum of 750 unemployed and underemployed individuals from Newark, New Jersey, with a variety of problems, which create difficulties in their abilities to profit from conventional programs. Of that number, a minimum of six hundred individuals will be placed in on-the-job training situations developed and supervised by the contractor."

According to the LMTP Periodic Report for the month of February 1966, a total of 267 trainees, including 78 terminations, have been placed in its OJT subcontracts. On the basis of that record, it does not appear likely that LMTP will achieve its goal of a "minimum of six hundred individuals." However, in the remaining months of the project it is probable that the increase in OJT placements will progress at a greater rate than in the months prior to February 1966.

On the other hand, the goal of "recruitment, selection, counseling, testing and referral to training and placement" of the balance of 150 individuals is being exceeded (according to the BICC letter report of February 15, 1966). The number of new programs that are in the "starting-up" or enrollment phase indicate that the goal will be surpassed, in all probability, by 100 percent (memorandum dated February 21, 1966, from Joseph E. Partenheimer to Edward A. Kirk, re: Training Programs).

It does not follow that the OJT project has been something less than a success. Nor does it follow that the pre-job training project has been more than a success. Rather, the experience indicates that there is a greater

demand for -- or a greater willingness to participate in -- pre-job training programs than on-the-job training projects among the companies and individuals served by the project:

B. Functional Problems

1. Until a recent change in personnel took place, staff work on the whole was characterized by too much desk work and too little field work. The problem still persists (albeit at a reduced volume) as is indicated by the excessive use of VISTA personnel in the office rather than in the field with clients.

2. As indicated above, the contract stipulates that the individuals to be assisted by the project are "unemployed and underemployed" and have "a variety of problems which create difficulties in their abilities to profit from conventional programs." It was pointed out earlier in this document that such individuals frequently are in need of a combination social casework-vocational guidance type of service. In essence, a number of the problem-burdened individuals to be helped are hard core. The individual may need assistance in finding solutions to seemingly unsurmountable family problems. The individual may need the encouragement which can be provided by being accompanied to his first day on the job. However, it does not appear that LMTP has planned for the development of that type of service; to that extent it is incapable of serving the hard core.

3. Although the contract requires LMTP to "supervise the training to insure that the employer is meeting his contractual responsibilities" and, further, "retain contact with the trainee to provide counseling and other assistance required to help the trainee become employed" it does not appear that LMTP implemented those two field functions. The consequences of those deficiencies are felt most severely by hard core placements. The contractor who did not honor his obligations provided a destructive employment experience for the

placement. The placement who was experiencing difficulties was obtaining no counsel. Result: terminations. There is an urgent necessity to establish field work programs to correct these discrepancies.

4. The employment of three labor union coordinators on a part-time basis should be reconsidered on the basis of the achievements as well as the objectives of the program. The record does not indicate that their employment has been productive on a scale or on a level commensurate with the amount of the budget allocation for their activity. It may well be that their limited accomplishments are attributable to factors inherent in the problem of employing, on a part-time basis, people who are at the same time carrying other full-time responsibilities. It is likely that this staff function would prove to be more productive if it involved just one full-time individual -- such as a retired union official. The employment of such a person on such a basis also would facilitate the development of pre-on-the-job training instruction having to do with orientation regarding jobs covered by collective bargaining agreements.

5. Although employment discrimination was described in the project proposal as the "underlying" factor involved in the needs of the persons to be served, the Project has developed no program of function to cope with the "recognized fact of minority group discrimination in hiring and upgrading practices." In fact, the deficiency is not particularized but is generalized -- it pervades the entire project. LNMTP does not employ -- either full time or part time -- a civil rights worker specializing in employment discrimination. Similarly, the LNMTP "Advisory Committee" which has a roster of 24 members does not include any representatives of the New Jersey Division on Civil Rights or any representatives of the Newark District of the Office of Federal Contract Compliance. Some of the resulting omissions in the program are readily

identifiable. For example, the Newark District staff of the Office of Federal Contract Compliance is in a uniquely effective position to recommend LMTP to local employers, with the result that those employers will be seeking LMTP rather than vice versa. The consequences of such an approach may be measured by the experience of the Newark Urban League which prior to the establishment of the Newark District office of the Office of Federal Contract Compliance (then President's Committee on Equal Employment Opportunity) in 1963 had placed not more than a handful of people in jobs each year. Subsequent to the establishment of the Federal office, placements soared to over 1,000 per annum -- resulting largely from entry and acceptance that the Urban League gained as a result of recommendations made to employers by representatives of that District office. LMTP has made no effort to establish a similar relationship.

Additionally, one would presume that pre-employment orientation would include instruction in how to cope with minority group stereotyping by employers as well as specific direction on how to file complaints with government civil rights agencies. There is no evidence that such instruction is being given. Until such programs are established, LMTP will have given no more than lip-service to "the recognized fact of minority group discrimination in hiring and up-grading practices."

The consequences of this failure are illustrated by the facts that LMTP pre-job training programs and QJT placements have followed the paths of least resistance, to wit: the major share of activity has been with respect to those occupations which traditionally are afforded to Negroes -- such occupations having common characteristics of low pay and/or physically unpleasant working conditions -- and those occupations requiring skills which are in short supply and for which employers therefore would hire any qualified person. The

occupations and industries which have remained substantially beyond the pale of equal employment opportunity are not likely to become involved in LMTP projects unless LMTP establishes a fair employment practices program.

On the basis of existing evidence, it can be stated that LMTP is not dealing with the problem of employment discrimination.

6. Statistical controls for the program on the whole have been inadequate. For example, it is nigh well impossible to learn, from any of the existing reports, the vital statistics of the pre-on-the-job training programs, to wit: sub-totals and totals of enrollment, terminations, participants, graduates, and placements.

Even more importantly, it would be useful to have statistical composite configurations of the clientele so that analyses may be made of the reasons that underly evolving trends, successes and failures. Euphemisms such as "hard core" are not helpful to those who would seek to help the "hard core." What are their problems; what is the statistical frequency of a type of problem among the clientele? Without such information only an ad hoc approach will be evolved -- placing a heavy drain upon staff time and serving an unnecessarily limited number of individuals.

7. Many of the problems described above may have been averted or corrected had LMTP employed consultants during the course of the Project. Specific budget was allocated for the employment of consultants. Nonetheless, no consultants were employed until the Project approached its concluding phase. As a result, many of the on-going benefits to be derived from consultation have been denied the Project.

III. Conclusions and Recommendations

A. Findings

Upon analysis, it appears that IJNTP was created to deal -- primarily through OJT -- with three distinct phenomena:

1. Unemployment
2. The Unemployment ("hard core"); and
3. The non-white victims of employment discrimination

It has been demonstrated that unemployment -- or employment -- is a function of the relationship between the jobs available and the people available. The influence of the status of the national economy upon that relationship is overwhelming. Although IJNTP has played a minor role in occasionally placing unemployed individuals in jobs, it has been an ancillary activity. The future expansion of OJT will be in response to the plight of employers who are now suffering the consequences of restricted entry into shortage occupations.

IJNTP has attempted to deal with the unemployable hard core. Its experience indicates that immediate OJT placements for such individuals is highly improbable. Pre-OJT courses have proved to be useful and will probably result in a large proportion of direct placements, obviating the need for OJT as such. However, at the present time, staff is not adequately deployed to service the hard core. Administrative controls for service to the hard core are in need of much more development and refinement.

Although the problem of employment discrimination is recognized, nothing is being done about it.

IJNTP has had some unexpected, noteworthy achievements. It has demonstrated the tremendous need for pre-vocational training programs. In addition, through its highly effective use of public relations techniques it has galvanized the attention of business leadership to the vocational training needs of the area.

In response, public school executives have started to modify programs and expand education facilities.

B. Proposals

1. It is recommended that LINTP be extended to continue through October 1966 and, providing that by that time it has corrected or eliminated the deficiencies in its program, it be renewed to continue through October 1967.

It would be a serious mistake and be an action against the National interest to permit the Project to terminate at the beginning of the summer of 1966, as presently is scheduled. Such action would countervene the purpose of the Chief Executive's creation (March 6, 1966) of a study group of Cabinet rank to develop a major Federal program to alleviate teenage unemployment this summer. The Federal Government estimates that a half-million more persons between the ages of 16 to 21 years will be working or looking for work this summer than last summer.

2. It is recommended that LINTP be authorized immediately to contract for the employment of at least four additional field workers for the summer months.

Such summer temporaries should be recruited from among local high-school vocational guidance counselors, vocational teachers, and commercial course instructors.

3. It is recommended that volunteers from WICS (Women In Community Service) be obtained to help with the office work, so that VISTA personnel may be used primarily in the field working with hard-core clientele.

4. It is recommended that functional, viable liaison be established immediately with the Newark District representatives of the Office of Federal Contract Compliance.

5. It is recommended that a pre-vocational training course concerning jobs covered by collective bargaining agreements be given to all clientele enrolled in any and all courses. Such a course should include the following subject matter:

- (a) Importance of union meetings and elections
- (b) The function of the shop steward, bargaining agent, local officers and international representative
- (c) How posting and bidding works
- (d) The grievance procedure

6. Similarly, it is recommended that a pre-vocational training course in how to compete for a job be given to all clientele enrolled in any and all courses. Such a course should include the following topics:

- (a) How to hunt for a job
- (b) How to negotiate with your prospective employer
- (c) How to retain your job and advance yourself

7. Finally, it is recommended that an evaluation by an outside consultant be concluded by the end of the summer of 1966 to determine whether or not the Project should be continued beyond the end of October 1966.